



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 9, 1995

*Surety & RC
Replaced
12/13-01*

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director *LB*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Reclamation Surety,
Chemical Lime Company of Arizona, Grantsville Quarry, M/045/028, Tooele
County, Utah

The Division seeks Board approval of the amount and form of Reclamation Surety provided by Chemical Lime Company of Arizona for their Grantsville Limestone Quarry, located in Tooele County, Utah. This is an existing mining operation located on state and private lands. Chemical Lime Company of Arizona has provided a \$265,700 (1998 dollars) reclamation surety bond, from National Union Fire Insurance Company, Pittsburgh, PA., for 77 acres of surface disturbance. Dolomitic limestone is being mined from the quarry. The limestone is then refined into lime products at the processing facilities which are located at the mine site.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract (Form MR-RC)
6. Surety bond (Attachment B - MR Form 5)

Thank you for your time and consideration of this request

jb
Attachments
M045028.brd



DOGM MINERALS PROGRAM

Checklist for Board Approval
of
FORM AND AMOUNT OF SURETY

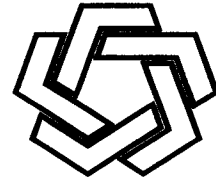
Prepared November 30, 1994

Company Name Chemical Lime Company of Arizona
 Mine Name Grantsville Quarry
 File No. M/045/028

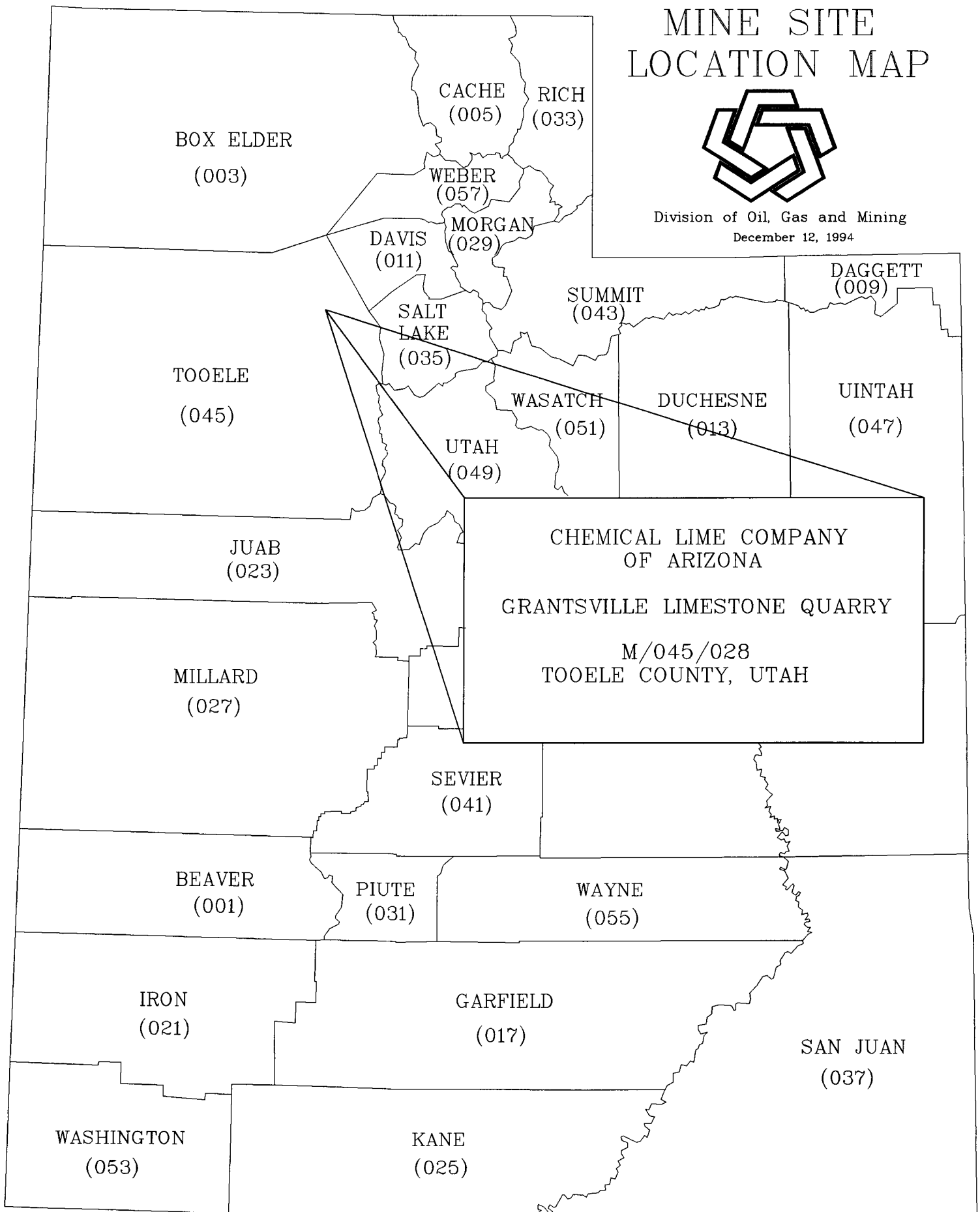
Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		
Surety Sign Off (Other State/Federal Agencies)	N/A		
RDCC contacted	X		

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MINE SITE LOCATION MAP



Division of Oil, Gas and Mining
December 12, 1994



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*This contract
replaced 11/13/01
Original Returned to
operator 11/16/01. JB*

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/045/028</u>
(Mineral Mined)	<u>Limestone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Grantsville Quarry</u>
(Description)	<u>Tooele County, Utah</u>
	<u>Old Highway 40, 9 miles West of</u>
	<u>Grantsville, Utah</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>77 Acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Chemical Lime Company of Arizona</u>
(Address)	<u>P. O. Box 537</u>
	<u>Grantsville, Utah 84029</u>
(Phone)	<u>(801) 884-3972</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

The Prentice-Hall Corporation System, Inc.
185 South State Street
Salt Lake City, Utah 84111

(Phone)

"OPERATOR'S OFFICER(S)":

President: Tom Chambers

Senior Vice President: Joe Payne

Secretary: Leon Lhoist

Treasurer: Joe Payne

"SURETY":

(Form of Surety - Attachment B) Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance Company
of Pittsburgh, PA

"SURETY AMOUNT":

(Escalated Dollars)

\$265,700.00

"ESCALATION YEAR":

1998 \$

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Chemical Lime Company
of Arizona the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/028 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated July 7, 1989, and the original Reclamation Plan dated July 7, 1989. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.


Joe Payne, Senior Vice President
Authorized Officer (Typed or Printed)


Authorized Officer's Signature

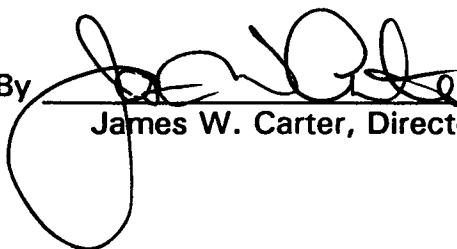
September 13, 1994
Date

SO AGREED this 22nd day of February, 1995.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

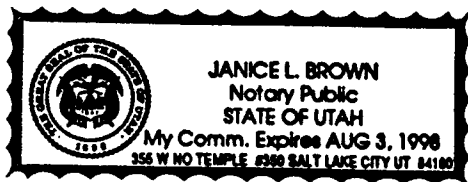
DIVISION OF OIL, GAS AND MINING:

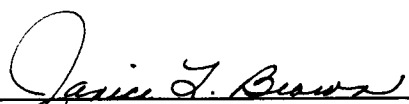
By 
James W. Carter, Director

March 8, 1995
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 8th day of March, 19 95, personally appeared before me, who being duly sworn did say that he/~~she~~, the said JAMES W CARTER is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.




Notary Public
Residing at: Salt Lake City


August 3, 1998
My Commission Expires:

OPERATOR:

Chemical Lime Company of Arizona
Operator Name

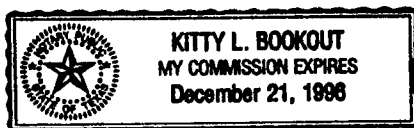
By Joe Payne, Senior Vice President
Corporate Officer - Position

September 13, 1994
Date


Signature

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

On the 13th day of September, 19 94, personally
appeared before me Joe Payne who
being by me duly sworn did say that he/~~she~~, the said Joe Payne
is the Senior Vice President of Chemical Lime Company of Arizona
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Chemical Lime Company of Arizona duly acknowledged to me that said
company executed the same.



Kitty L. Bookout
Notary Public
Residing at: Fort Worth, Texas

12/21/96
My Commission Expires:

SURETY:

National Union Fire Insurance Company of Pittsburgh, Pa.
Surety Company

By Bonnie S. Wyatt - Attorney-in-fact
Company Officer - Position

September 7, 1994
Date

Bonnie S. Wyatt
Signature

STATE OF Texas)
COUNTY OF Tarrant) **ss:**

On the 7th day of September, 19 94, personally
appeared before me Bonnie S. Wyatt who
being by me duly sworn did say that he/she, the said Bonnie S. Wyatt
is the Attorney-in-fact of National Union Fire Insurance
Company of Pittsburgh, Pa.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Attorney-in-fact duly acknowledged to me that said
company executed the same.

Linda W. Sinku

Notary Public Linda W. Sinku

Residing at: Fort Worth, Texas

November 2, 1994

My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

Chemical Lime Company of Arizona
Operator

Grantsville Quarry
Mine Name

M/045/028
Permit Number

Tooele

County, Utah

The legal description of lands to be disturbed is:

The East 1/2 of S.E. 1/4 of S.E. 1/4 of S.W. 1/4 of Section 25, Township 1 South, Range 7 West, SLB&M
The N.W. 1/4 of N.E. 1/4 of S.W. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The East 1/2 of N.E. 1/4 of N.W. 1/4 of S.W. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The West 1/2 of S.E. 1/4 of N.W. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The N.E. 1/4 of S.E. 1/4 of N.W. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The South 1/2 of S.W. 1/4 of N.E. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The South 1/2 of S.E. 1/4 of N.E. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The North 1/2 of N.E. 1/4 of S.E. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The West 1/2 of S.W. 1/4 of N.E. 1/4 of S.E. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The West 1/2 of S.E. 1/4 of Sec. 25, T1S, R7W, SLB&M.
The North 1/2 of N.W. 1/4 of N.W. 1/4 of N.E. 1/4 of Sec. 36, T1S, R7W, SLB&M.
The North 1/2 of N.E. 1/4 of N.W. 1/4 of N.E. 1/4 of Sec. 36, T1S, R7W, SLB&M.

ATTACHMENT B

MR FORM 5
April 8, 1998

Bond Number _____
Permit Number M/045/028
Mine Name Grantsville Quarry

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Chemical Lime Company of Arizona, as Principal, and National Union Fire Insurance Company of Pittsburgh, Pa., as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of Two Hundred Sixty Five Thousand Seven dollars (\$ 265,700.00). Hundred and no/100-----

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 9th day of July, 1998, that 77 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

*This Surety
replaced 11-13-01.
This original returned
to operator 11-16-01
JB*

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

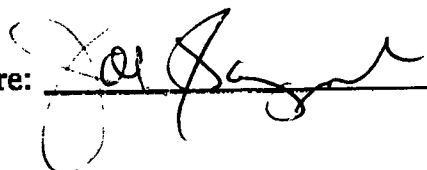
IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date September 7, 1994

Chemical Lime Company of Arizona
Principal (Permittee)

By (Name typed): Joe Payne

Title: SA U.P.

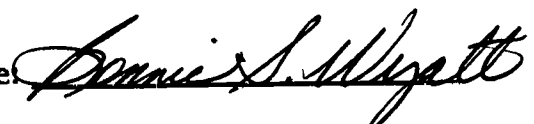
Signature: 

Date September 7, 1994

National Union Fire Insurance Company
of Pittsburgh, Pa.
Surety

By (Name typed): Bonnie S. Wyatt

Title: Attorney-in-fact


Signature: 

Page 3
MR-5
Attachment B

Bond Number _____
Permit Number M/045/028
Mine Name Grantsville Quarry

SO AGREED this 22nd day of February, 1995.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

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MR-5
Attachment B

Bond Number _____
Permit Number M/045/028
Mine Name Grantsville Quarry

AFFIDAVIT OF QUALIFICATION

Bonnie S. Wyatt, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-fact of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Bonnie S. Wyatt
Surety Officer

Title: Attorney-in-fact

Subscribed and sworn to before me this 7th day of September, 1994.

Linda W. Sinku
Notary Public Linda W. Sinku
Residing at: Fort Worth, Texas

My Commission Expires:

November 2, 1994

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

Ne

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

—Linda F. Hughes, Gary B. McElroy, Tracy L. Gingras, Bonnie S. Wyatt, Linda W. Sinku: of Fort Worth, Texas—

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 26th day of April, 1994

Frederick J. Gurba
Frederick J. Gurba, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 26th day of April, 1994, before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office

PAULETTE K. WILLIAMS
Notary Public, State of New York
No. 31-4972606
Qualified in New York County
Certificate Filed in New York County
Commission Expires October 1, 1994

Paulette K. Williams

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof,

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation

this 7th day of September, 19 94



Elizabeth M. Tuck
Elizabeth M. Tuck, Secretary